

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

January 8, 2007

Members of the Arizona State Board of Accountancy held a meeting at 8:21 a.m. on Monday, January 8, 2007 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held from 8:43 a.m. to 9:15 a.m.; from 9:30 a.m. to 9:40 a.m.; from 9:51 a.m. to 10:32 a.m. and from 10:39 a.m. to 10:49 a.m.

BOARD MEMBERS:

Earl R. Shivers, CPA	President
☎ Marianne E. DeVries, CPA	Treasurer
Patrick J. Ramirez	Secretary
Donald R. Bays, CPA	Member
Debbi Fitzgerald, CPA	Member
☉ Samuel L. Fogleman, CPA	Member
^ James E. May	Member

☎ Appeared telephonically until 12:08 p.m.

☉ Left at 10:52 a.m.

^ Absent

OTHERS PRESENT:

Valerie M. Elliott	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Ryan P. Edmonson	Programs & Projects Specialist II
Yolanda M. Barajas	Administrative Assistant III

GUESTS PARTICIPATING:

Christopher Munns, Esq	Assistant Attorney General, Solicitor General Office
J. Chris Arnold	Registrant
Lee Stein, Esq	Attorney
Adela Jimenez	ASCPA, Director of Finance and Administration

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The meeting was called to order at 8:21 a.m. by Earl R. Shivers, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

No one wished to address the Board.

MINUTES

December 4, 2006 Board Meeting

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to approve the Open Session Minutes from the December 4, 2006 Board meeting.

Donald R. Bays & Debbi Fitzgerald did not vote.

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to approve the Executive Session Minutes from the December 4, 2006 Board meeting.

Donald R. Bays & Debbi Fitzgerald did not vote.

DECLARATION OF CONFLICTS OF INTEREST

Earl R. Shivers, CPA declared a conflict on Barbara Callahan

Debbi Fitzgerald, CPA declared a conflict on File No. 2006.067

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

PRESIDENT'S REPORT

The Board reviewed the draft thank you letter to David Costello, NASBA President and CEO. The Board made minor amendments and a motion was made by Patrick J. Ramirez, seconded by Donald R. Bays and passed to send the thank you letter to Mr. Costello.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Court Request for Affidavits in Maricopa County Superior Court Case No. LC2006-000132-001 DT

i. File No. 2000.026; Marrie, Michael J.

ii. File No. 2000.027; Berry, Brian L.

The Board reviewed the court request for the affidavits.

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to go into Executive Session at 8:43 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:15 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2007.028; Arnold, Chris J.

Earl R. Shivers, President described how the matter would be conducted and the time limits. Chris Arnold and his attorney Lee Stein were present to discuss the file and their definition of inactive status. Mr. Stein discussed the history of his client's company and requested that the Board reconsider the proposed Decision & Order (By Consent).

Seth T. Hargraves, Assistant Attorney General responded to the registrant's definition of inactive status and settlement proposal.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to go into Executive Session at 9:30 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:40 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2007.028; Arnold, Chris J.

Chris Arnold and his attorney Lee Stein were present. The Board explained that the file would be tabled until the Board could contact an Assistant Attorney General from the Solicitor General's office for legal advice. The Board also explained that Mr. Arnold and Mr. Lee are welcome to wait for the Board's motion or they could contact the Board later to receive the its motion.

A motion was made by Patrick J. Ramirez, seconded by Donald R. Bays and passed to go into Executive Session at 9:51 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:32 a.m.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2007.003

File No. 2007.009

File No. 2007.011

File No. 2007.023

File No. 2007.025

File No. 2007.032

File No. 2007.033

A motion was made by Patrick J. Ramirez, seconded by Debbi Fitzgerald and passed to accept the Committees' recommendations to close the files.

COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES

File No. 2001.131

A motion was made by Patrick J. Ramirez, seconded by Donald R. Bays and passed to accept the Accounting and Auditing Standards Committee's recommendation to close the complaint file, no violations of professional standards.

File No. 2005.029

No action taken.

COMMITTEE RECOMMENDATIONS - PEER REVIEW

File No. 2007.030

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

File No. 2007.031

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session.

NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION

File No. 2007.034

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the response and close the file, and to include in the letter a request for the respondent to change his e-mail address.

File No. 2007.057

A motion was made by Patrick J. Ramirez, seconded by Donald R. Bays and passed to accept the response and close the file.

File No. 2007.065

A motion was made by Patrick J. Ramirez, seconded by Debbi Fitzgerald and passed to accept the response and close the file.

INITIAL ANALYSIS

File No. 2007.060

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to direct staff to send a letter to the registrant accepting the response and requesting that the registrant notify the Board within 30 days of the final disposition of his pending litigation.

File No. 2007.080

A motion was made by Patrick J. Ramirez, seconded by Debbi Fitzgerald and passed to direct staff to send a letter to the registrant requiring him to submit the disclosure of his probation violation to the Board within 30 days, and if not submitted, to file a Compliant and Notice of Hearing for suspension of his certificate.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2007.028; Arnold, Chris J.

The Board discussed going into executive session to receive legal advice.

A motion was made by Patrick J. Ramirez, seconded by Donald R. Bays and passed to go into Executive Session at 10:39 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:49 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2007.028; Arnold, Chris J.

The Board directed staff to draft a Decision & Order (By Consent) without the reference to ARS § 32-741(A)(14) and to include suspension until completion of CPE and expiration after one year of suspension if CPE deficiency is not cured. A Decision & Order (By Consent) for relinquishment with reference to ARS § 32-741(A)(14) is also available, per the registrant's request.

File No. 2006.024; Bartlett, Dennis J.

A motion was made by Donald R. Bays, seconded by Patrick J. Ramirez and passed to proceed to file a Complaint and Notice of Hearing.

File No. 2007.035; Mizer, Robert T., CPA, PLLC

A motion was made by Debbi Fitzgerald, seconded by Donald R. Bays and passed 5-1 to deny his request to expunge the Decision & Order (By Consent) and the \$500.00 administrative penalty.

Earl R. Shivers voted against the motion.

File No. 2007.038; Pagel, Inga, A.

A motion was made by Marianne E. DeVries, seconded by Donald R. Bays and passed to deny her request and give her until the end of the business day on January 10, 2007 to accept the previously offered Decision & Order (By Consent) and if not accepted, to file a Complaint and Notice of Hearing.

File No. 2007.039; Pearce Gray & Co PLC

A motion was made by Debbi Fitzgerald, seconded by Patrick J. Ramirez and passed 5-1 to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 to be paid within 30 days, and if not accepted within 30 days, to file a Complaint and a Notice of Public Hearing.

Donald R. Bays voted against the motion.

File No. 2007.041; Sigrist, Cheek & Potter PLLC

A motion was made by Debbi Fitzgerald, seconded by Marianne E. DeVries and passed 5-1 to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 to be paid within 30 days, and if not accepted within 30 days, to file a Complaint and a Notice of Public Hearing.

Donald R. Bays voted against the motion.

File No. 2007.042; Western, Janet E.

A motion was made by Debbi Fitzgerald, seconded by Marianne E. DeVries and passed 5-1 to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 to be paid within 30 days, and if not accepted within 30 days, to file a Complaint and a Notice of Public Hearing.

Donald R. Bays voted against the motion.

Status of Compliance with the Decision and Order (By Consent)

File No. 2005.049; Kiesel, Randy C., CPA

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to accept the pre-issuance peer review report.

Settlement Offer

File No. 2006.087/088; DeGroote, Kevin J. Sr.

A motion was made by Debbi Fitzgerald, seconded by Marianne E. DeVries and passed to accept the settlement offer and the signed Decision & Order (By Consent).

File No. 2007.026; McGee, Michael

A motion was made by Debbi Fitzgerald, seconded by Donald R. Bays and passed to accept the settlement offer and the signed Decision & Order (By Consent).

File No. 2006.067; Craven, Judy

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to deny her request and proceed with the Notice of Hearing.

Debbi Fitzgerald declared a conflict and did not vote.

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File No. 2006.060; Schatza, Curt J., CPA

A motion was made by Marianne E. DeVries, seconded by Debbi Fitzgerald and passed to re-offer the Decision & Order (By Consent) and include a \$500.00 administrative penalty for failure to respond to the Board timely.

File No. 2007.044; Barrows & Schatza, PLC

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to re-offer the Decision & Order (By Consent) and include a \$500.00 administrative penalty for failure to respond to the Board timely. The motion also included opening an investigation file for the Accounting and Auditing Standards Committee to review.

Termination of Decision & Order (By Consent)

File No. 2007.052; Plavcity, Ann PC 2455-C

File No. 2007.059; Riley, Mark 6848-E

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to terminate the Consent Orders and close the files.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

NASBA 25th Executive Director Annual Conference and NASBA 11th Annual Conference for Assistant Attorneys General, March 11 - 14, 2007, Las Vegas, NV Consideration of approval for the Executive Director and Assistant Attorneys General attendance

A motion was made by Donald R. Bays, seconded by Debbi Fitzgerald and passed to approve the Executive Director, to attend the Executive Director Annual Conference, and the Assistant Attorneys General, to attend the Assistant Attorneys General Annual Conference on March 11 – 14, 2007, in Las Vegas, NV.

Request for Pre-Approval of CPE and Waiver of Classroom Setting

File No. 2004.061 & 2005.027; Tassainer, Garin

A motion was made by Donald R. Bays, seconded by Patrick J. Ramirez and passed to approve the CPE course.

Request for inactive status – A.R.S. § 32 – 730:

Patricia S. Fletcher 11324-E

Kelly P. Saxer 11920-E

Pamela P. Kane 10845-E

A motion was made by Debbi Fitzgerald, seconded by Donald R. Bays and passed to grant their requests for inactive status.

Request for CPA Examination Refund

Garrett Dee Cazier

A motion was made by Debbi Fitzgerald, seconded by Patrick J. Ramirez and passed to deny his request for a refund.

Failure to Respond – A.R.S. § 32-741(A)(9) & (15)

Barbara J. Callahan 3493-E

A motion was made by Donald R. Bays, seconded by Debbi Fitzgerald and passed to offer a Decision & Order (By Consent) to include a \$500 of administrative civil penalty, up to one year suspension until the CPE deficiency is cured, and if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Earl R. Shivers declared a conflict and did vote.

Application for Reinstatement – A.R.S. § 32-748:

John H. Johnson 3535-E (Suspended April 1986)

Deferred action until February Board meeting.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

Due to conflicts, Ms. Fitzgerald requested that Shari Kay Barnum be pulled from item 16-g. and Kevin D. Noel from item 16-h. of the consent agenda and voted on separately.

A motion was made by Donald R. Bays, and seconded by Marianne E. DeVries and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

Priscilla A. Chesler CPA PC	Tracy J. Pence CPA PC
Shareholder: Priscilla Chesler 10743-R	Shareholder: Tracy J. Pence 12038-E

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

Integrated Accounting Services LLC	Jennifer S. Bergamini CPA PLLC
Shareholder: Michael C. Warren 9848-E	Shareholder: Jennifer S. Bergamini 10376-E
 Gold Standard Wealth Management PLLC	 George R. Snyder CPA PLC
Shareholder: Ralph Schule 5392-E	Shareholder: George R. Snyder 12583-E

- c. Recommended for Firm Name Change:

Erickson PC	Thomas, Zollars & Lynch Ltd
Erickson & Company PC 414-C	Thomas & Zollars Ltd 170-C
Robert J. Erickson 2873-E	Patrick A. Thomas 5820-E
	Edward K. Zollars 4327-E
	Annette M. Lynch 5711-E

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- | | |
|---------------------------|-------------------------|
| Hammel Beal & Laver PC | Liem & Company PC |
| Hammel & Company PC 155-C | Henry A. Liem PC 1072-C |
| Richard W. Hammel 1665-E | Henry A. Liem 1587-E |
| Gerald H. Beal 3382-R | |
| John P. Laver 5055-E | |
- d. Request for Firm Cancellation – Do not wish to renew:
- | | |
|--------------------------------------|---------------------------|
| Schwark, Vaughan & Perry CPA's 324-P | Betts & Johnson PC 2339-C |
| Lacour Ltd 2045-C | Glaim & Rupert PC 1037-C |
- e. Recommended for Cancellation of Certificate per registrant's request not to renew:
- | | | | |
|--------------------|---------|-----------------------|--------|
| Christine L. Drake | 11315-E | Robert Dunn Noble III | 2795-E |
| Fred A. Gomes | 12441-R | Dennis Melin | 4175-R |
| James A. Thornberg | 11803-E | Bryan E. Lundtveit | 7985-E |
- f. Recommended for Reissuance of Certificate because of Name Change:
- | | | | |
|----------------------------------|---------|-------------------------|---------|
| Laura Welch (Laura G. Belval) | 11061-E | Brice Rhee (Nuessle) | 13646-E |
| Amy Elizabeth Miller (Patel) | 12915-E | Jeanie Kuntz (Wynn) | 12089-E |
| Adela E. Jimenez-White (Jimenez) | 11449-E | Kerrie A. Leach (Janik) | 9484-E |
| Julie L. Schemers (Micheels) | 10583-E | | |
| Bridget M. O'Loughlin (Stomberg) | 13386-E | | |
- g. Recommended for Reactivation of Certificate from Inactive Status
- A.R.S. §32-730(E):
- | | | | |
|-------------------|--------|----------------------|--------|
| Randall L. Pullen | 3371-E | Evelyn Anne Lisitzky | 3280-E |
| DeAnna J. Walker | 7823-E | | |
- h. Approval of Candidates who have passed the Uniform CPA Examination:
- | | | |
|-----------------------------|-------------------------|---------------------------|
| Carla Michelle Anderson | Jennifer Jean Askew | Diana Celine Baker |
| Elizabeth Marie Barber | Reid Andrew Barley | Brian George Batz |
| Scott Michael Billsby | Randy Garrett Brammer | Gavin Boyd Brandon |
| Stephen K. Bretzing | Derrick Scott Bryce | Andrew Philip Buchholz |
| James M. Burton | Jeffrey Thomas Chirico | Nathan J. Craig |
| Marla Christine De La Torre | Justin Henry DeTemple | Scott Robert Downing |
| Christine H. Elzy | Lance Elliot Eskildson | Tiffany Dawn Franks |
| Tammy L. Gallegos | Brandon Nicholas George | Audilia Gunawan |
| Trent Tyson Hall | Sarah Lynn Hennessey | Kathryn Karges Hodges |
| John A. Jay | Byron Michael Jeffers | Hosanna Kakarala |
| Casey Robert King | Andrew E. Koslow | John Phillip Leatherwood |
| Robert Michael Leff | Dan Liao | Danielle Marie Link |
| Megan M. Lynagh | Katherine Jane Marion | Ryan Webster Mecham |
| Marvin Marcial Mendieta | Lance Reed Monahan | Nathan Hugh Moyer |
| Brian Kelly Nelson | Xiaohui Peng | Nathan Michael Opel |
| C.W. James Payne | Jason D. Schiessler | Svetlana Borisovna Pitman |
| Mary Katherine Reynolds | Patrick Joseph Smith | Tracy Lynn Shapcott |
| Deborah Singer | Kalaya Vanaprasert | John Michael Sturdivant |

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Valerie Lee Tracey	Yu-Wen Wang	Zaynah Sahar Vohra
Linsay Erin Wadlington	Wendy Lynn Wrenn	Shane Lamar White
Jennifer Ann Woys	Marc Daniel Zimmermann	Phillip Reino Wuollet
Bob Ikwuka Zee		

- i. Recommendation of the Peer Review Oversight Advisory Committee for approval on the following firms in compliance A.A.C. R4-1-454:

Accounting Offices, P.C.	2484-C	Lacour, LTD	2045-C
Addison & Gadea, P.C.	2149-C	Law & Reed, CPA's, P.C.	962-C
Alexander & Devoley, P.C.	4-C	Longfellow, Thomas E., CPA	5505-S
Ball & McGraw, P.C.	1088-C	Mattice & Wilber, LTD	224-C
Barry & Moore, P.C.	26-C	Meese, David P., CPA, PLC	2138-L
Birenbaum & Speen, P.C.	971-C	Meyer, Scott R., CPA, P.C.	1093-C
Blake, J.H., CPA, P.C.	39-C	Murphy, Thomas P., CPA, PLC	955-L
Brengi and Jordan, P.C.	2071-C	Oliver, Douglas, CPA	5604-S
C L and Company, CPA's P.C.	2576-P	Patten, M C, CPA, P.C.	760-C
Cochran, Chris, P.C.	485-C	Plavsity, Ann P.C.	2455-C
Davis, Morgan & Cardwell CPA's, PLC	986-P	Porter & Porter, P.C.	285-C
Dickman & Company, CPA's, P.C.	2012-C	Riggle, Craig R., P.C.	302-C
Donis, Paul Andrew, CPA	5214-S	Sarkany, Steve, CPA, P.C.	1182-C
Eckelberg, & Wienshienk, P.C.	2001-C	Satz, Craig, CPA, P.C.	979-C
Eisenstat, Barry, CPA	4083-S	Stoker, Donald W., P.C.	615-C
Flowers, Rieger & Associates, PLLC	2008-L	Sullivan, Neil L., P.C.	2218-C
Gastineau, K. R., CPA, LTD.	772-C	Sunderman, Lloyd H., CPA, P.C.	2016-C
Gomez, Patricia M., CPA, P.C.	2592-C	Tang, Wanda, P.C.	417-C
Grady, Mark, CPA, P.C.	412-C	Thomas & Zollars, LTD	170-C
Guest, Schutte & Cosper CPA's, LLP	989-B	Tiensvold Shaffer, CPAS, PLLC	2632-L
Hailey, C. Dennis, CPA, LTD.	427-C	Valentine & Bond, LTD.	481-C
Harmon, Robert R., CPA, P.C.	2003-C	Waters, Joseph P., CPA	5025-S
Hondorp, J. A., CPA, LTD.	1170-C	Wendt, James B., CPA	4576-S
Horne & Company, LLC	2624-L	Wheeler, William E., CPA	4407-S
Johnson, Dennis, G., CPA	4158-S	Zanelli, Robert, CPA, P.C.	20987-C
Kaplan, Daniel F., CPA, P.C.	2274-C		
Kawg, & F., P. A.	2620-C		

CONSENT AGENDA

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to approve the following consent agenda items:

- 16-g. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):

Shari Kay Barnum 7872-E

- 16-h. Approval of Candidates who have passed the Uniform CPA Examination:
Kevin D. Noel

Debbi Fitzgerald declared conflicts and did not vote.

SUMMARY OF CURRENT EVENTS

None.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

None.

ADJOURNMENT

A motion was made by Donald R. Bays, seconded by Patrick J. Ramirez and passed to adjourn at 12:10 p.m.

Earl R. Shivers, CPA, President

Marianne E. DeVries, CPA, Treasurer

Patrick J. Ramirez, Secretary

Donald R. Bays, CPA, Member

Debbi Fitzgerald, CPA, Member

Samuel L. Fogleman, CPA, Member